GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:5398
ANSWERED ON:09.05.2012
REFORMS IN COAL SECTOR
Angadi Shri Suresh Chanabasappa;Biju Shri P. K.

Will the Minister of COAL be pleased to state:

(a) whether the Government has initiated any steps for reforms in coal sector of the country;

(b) if so, the details thereof and if not, the reasons therefor;

(c) the steps taken/being taken for the development of coal sector of the country;

(d) whether Coal India Limited has been earning profits for the last three years; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE FOR COAL (SHRI PRATIK PRAKASHBAPU PATIL)

(a)&(b) : Yes, Sir. The Government had earlier constituted an Expert Committee under the Chairmanship of Shri T.L. Sankar to suggest measures to reform the coal sector. The Integrated Energy Policy document of the Government of India is also contains reform measures for coal sector. The steps of reforms are accordingly being implemented as per suggested recommendations.

(c) : The major steps taken/being taken for the development of the coal sector of the country are given as under:-

(1) Setting up of a Coal Regulatory Authority:
The Government has initiated action for setting up of an independent coal Regulatory Authority for more optimal development and conservation of coal resources, more effective regulation of price and quality, adoption of best mining practices, better coal distribution and creation of a level playing field for new entrants in the sector. The Cabinet Note along with the draft Bill for a Coal Regulatory Authority has been submitted to the Cabinet.

(2) Switching over GCV based Grading System:
In line with the best International coal trading practices, the Government has switched over to the Gross Calorific Value (GCV) classification of non-coking coal, in place of Useful Heat Value (UHV) based grading and pricing system. This will improve the quality of coal supply and reduce the consumer complaints.

(3) More Autonomy to the Government Coal Companies:
Towards granting more financial autonomy for faster decision making, Government has granted Coal India Limited (CIL), a Maharatna company status and six of its subsidiary companies, Mini Ratna status. Besides, Neyveli Lignite Corporation Ltd (NLC) has also been granted a Navratna company status.

(4) Signing of Long Term Fuel Agreements:-
As per the provisions of National Coal Distribution Policy (NCDP), Bilateral Fuel Supply Agreements with all valid licensed consumers have been signed. FSAs with power utilities are also being signed by CIL under a Presidential Directives.

(5) Allowing Coal Mining by the Private Sector:
To allow Indian companies both public and private sectors to mine coal in the country without existing restrictions of captive mining and to be engaged in exploration of coal in the country, a Bill has been introduced in the Parliament.
The Government is encouraging coal companies to invest in coal assets abroad. In this regard, CIL has acquired two coal blocks in Mozambique. Besides above, other steps of reform such as allocation of coal blocks for captive use, E-auction of coal, listing of coal and lignite companies and increasing of coal washery facilities in the country etc. are also being progressed.

(d) & (e) : Yes, Sir. The profit earned by CIL for the last three years is given as under:

S.No.	Year	Profit earned (Rs. in crore) Capital Employed	Profit After Tax
1	2008-09	16963.98	2078.69

```
2 2009-10  23450.74  9622.45
3 2010-11  30745.03  10867.35
```